

UNCLASSIFIED

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ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-07 DHA-02 CIAE-00 DODE-00 PM-04 -
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 AID-05 ACDA-07 OMB-01 IO-13 NSCE-00
SSO-00 USIE-00 INRE-00 CCO-00 (ISO-00 ARGENTINA PROJECT (S200000044)

DRAFTED BY ARA/ECA:FERONDON:JC
APPROVED BY ARA:WHLUERS
ARA/ECA:RWZIMMERMANN
EB:FTHOMAS (PHONE)
D/HA:MSCHNEIDER (SUBS)
S/S:
D:DLAMB

U.S. DEPT. OF STATE, A/RPS/IPS
Margaret P. Grafeld, Director
☒ Release () Excise () Deny
Exemption(s): _____
Declassify: () In Part ☒ In Full
() Classify as _____ () Extend as _____ () Downgrade to _____
Date _____ Declassify on _____ Reason _____

-----150151Z 070659 /73
O 160028Z JUN 77 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY IMMEDIATE
INFO AMEMBASSY BUENOS AIRES IMMEDIATE
TREASURY/IMMEDIATE

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FOR TODMAN FROM LUERS; TREASURY FOR NACHMANOFF

E.O. 11652: GDS

TAGS: PORG, SHUM, AR, US, EFIN

SUBJECT: ARGENTINES NOTE HUMAN RIGHTS IMPROVEMENTS IN
ORDER TO INFLUENCE US VOTE IN IFIS

1. SUMMARY: ARGENTINE AMBASSADOR TODAY ATTEMPTED TO MAKE
CASE THAT A NUMBER OF HUMAN RIGHTS ACTIONS PLUS POLITICAL
CONSIDERATIONS ARGUE IN FAVOR OF POSITIVE VOTE BY USG IN
IFIS. AFTER CONSULTING WITH ACTING SECRETARY, WE DECIDED
TO ABSTAIN AS PLANNED BUT NOTE HOPEFUL SIGNS IN OUR

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STATEMENT OF EXPLANATION AND POINT TO THESE IN CONVERSATIONS WITH ARGENTINE OFFICIALS. END SUMMARY.

2. ARGENTINE AMBASSADOR TODAY BROUGHT TO MY ATTENTION A NUMBER OF CONSIDERATIONS WHICH HE HOPED WOULD PERSUADE US TO VOTE IN FAVOR OF ARGENTINE LOANS IN WORLD BANK. HE HAD APPARENTLY LEARNED EARLIER, PRESUMABLY THROUGH THE IBRD, THAT WE WOULD BE ABSTAINING ON \$100 MILLION INDUSTRIAL CREDITS PROJECT AND \$7 MILLION INTERNATIONAL FINANCE CORPORATION SOYBEAN PLANT PROJECT.

3. AMBASSADOR MADE FOLLOWING POINTS, INTER ALIA:

- IN RESPONSE TO REPRESENTATIONS BY AMERICAN JEWISH

COMMITTEE, ARGENTINE GOVERNMENT IS BANNING JULY ISSUE OF "CABILDO" MAGAZINE. (THE APRIL EDITION OF "CABILDO" WAS BLATANTLY ANTI-SEMITIC.)

- MINISTRY OF INTERIOR WILL ANNOUNCE ON JUNE 14 THAT 198 INDIVIDUALS HAVE CEASED TO BE UNDER DETENTION AT THE PLEASURE OF THE EXECUTIVE POWER (STATE OF SIEGE) BRINGING TO 333 INDIVIDUALS THE NUMBER OF EXECUTIVE POWER RELEASES SINCE MAY 27. (THIS IS INDEED A STRIKING NUMBER OF RELEASES, BUT WE DO NOT KNOW WHETHER INDIVIDUALS WILL REGAIN LIBERTY OR ARE SIMPLY BEING TURNED OVER TO JUDICIAL AUTHORITIES FOR TRIAL.)

- MINISTRY OF INTERIOR WILL ALSO ANNOUNCE THAT THE PRESIDENT HAS ISSUED INSTRUCTIONS TO STUDY THE POSSIBLE REINSTATEMENT OF THE CONSTITUTIONAL RIGHT TO OPT TO LEAVE THE COUNTRY. (THIS IS NOT THE FIRST TIME THAT THE SO-CALLED "RIGHT OF OPTION" IS REVIEWED, BUT THE COMMUNIQUE SUGGESTS THAT THE OBJECTIVE OF THIS LATEST EXERCISE WILL BE TO REINSTATE THE OPTION. UNDER THIS OPTION, ARGENTINES WHO ARE HELD BY THE EXECUTIVE POWER CAN OPT TO

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LEAVE THE COUNTRY VOLUNTARILY RATHER THAN REMAIN IN PRISON WITHOUT CHARGES. WE HAVE REPEATEDLY URGED THE ARGENTINES TO REINSTATE THIS RIGHT AS A MEANS OF EMPTYING PRISONS OF POLITICAL PRISONERS. I ASKED THE AMBASSADOR WHETHER HE THOUGHT THE REVIEW WOULD END IN A DECISION TO REINSTATE

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THE "RIGHT OF OPTION." HE REPLIED YES, BUT IT WOULD TAKE TIME, POSSIBLY 2-3 MONTHS.

- IT IS VERY IMPORTANT TO SUPPORT MARTINEZ DE HOZ (ECONOMY MINISTER) WHO TALKED TO BLUMENTHAL AND BRZEZINSKI AND RETURNED TO BUENOS AIRES WITH A STRONG MESSAGE THAT THE GOA HAD TO ACT ON HUMAN RIGHTS. AN ABSTENTION ON THE ARGENTINE LOANS WOULD WEAKEN VIDELA AND MARTINEZ AND WOULD REINFORCE THOSE WHO ARGUE THAT THE U.S. DOES NOT REALLY WANT TO WORK WITH THE GOA. (AJA ESPIL FELT THAT IT WAS ONE THING FOR U.S. TO DEMONSTRATE ITS VIEWS TO ARGENTINE MILITARY BY REDUCING MILITARY CREDITS BUT QUITE ANOTHER TO GO AGAINST "CIVILIAN" CREDITS, WHICH UNDERMINED THE VERY FORCES WE SHOULD BE SUPPORTING.)

- THE FRG HAS ALREADY ASSURED ARGENTINA THAT IT WOULD VOTE IN FAVOR OF THE LOAN AS WILL OTHER EC MEMBERS. A U.S. ABSTENTION WOULD ISOLATE US FROM THE EUROPEAN DEMOCRACIES. MORE IMPORTANTLY, AN ABSTENTION COULD RESULT IN A NEGATIVE SIGNAL TO THE U.S. COMMERCIAL BANKS.

4. AFTER MEETING WITH ESPIL, I DISCUSSED LOAN WITH ACTING SECRETARY, WHO RECOMMENDED THAT WE PROCEED WITH

ABSTENTION BUT NOTE HOPE FOR CHANGE IN OUR STATEMENT AT THE IBRD. WE ARE REVISING THE STATEMENT ACCORDINGLY.

5. I BELIEVE IT IS ALSO IMPORTANT TO EXPLAIN OUR ABSTENTION TO FOREIGN MINISTER MONTES IN GRENADA AND THAT OUR CHARGE IN BUENOS AIRES MAKE THE SAME POINTS TO MARTINEZ DE HOZ. WE WOULD EXPLAIN THAT THE HUMAN RIGHTS

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SITUATION LEFT US NO CHOICE BUT TO ABSTAIN AT THIS TIME, BUT WE HAD DECIDED TO MODIFY OUR STATEMENT EXPLAINING OUR VOTE TO TAKE INTO ACCOUNT POSSIBLE FAVORABLE DEVELOPMENTS WHICH THE ARGENTINE GOVERNMENT HAD BROUGHT TO OUR ATTENTION. WHILE NOT SAYING SO PUBLICLY, WE ARE PARTICULARLY ENCOURAGED BY THE NUMBER OF RELEASES ANNOUNCED RECENTLY AND THE POSSIBILITY THAT THE RIGHT OF OPTION WILL BE REINSTITUTED. WE VERY MUCH HOPE THAT THESE DEVELOPMENTS PRESAGE THE RESTORATION OF THE LEGAL PROTECTIONS OFFERED TO THE INDIVIDUAL BY THE ARGENTINE CONSTITUTION.

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6. FOR EMBASSY BUENOS AIRES. WE WOULD APPRECIATE YOUR ANALYSIS BY IMMEDIATE CABLE OF THESE DEVELOPMENTS AND THE DEMARCHE TO MARTINEZ DE HOZ OUTLINED IN PARAGRAPH FIVE. CHRISTOPHER

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